



THE INTERIM

August 2009

A monthly newsletter of the Montana Legislative Branch

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The **Interim** newsletter is also available on the Internet at leg.mt.gov. Past issues are archived under the "Publications" navigation menu link.

Legislative Council Revises Reimbursement Guidelines for Interim Committee Members

The Legislative Council has revised the guidelines for reimbursing legislators for costs they incur when attending interim committee meetings. The new guidelines set a more realistic policy for the reasonableness of claims for overnight stays. The guidelines will help staff in processing reimbursement claims.

The procedures for paying legislative salaries and reimbursing expenses are established by law, as well as in rules adopted by the council. The Legislative Council wanted to make sure that legislators are informed about the revised guidelines and that they may be eligible to receive a salary for travel days to and from a meeting. During the interim, the council will look into alternatives for determining salary on travel days, any of which may require statutory changes.

The revised guidelines for determining the reasonableness for claiming overnight lodging and other expenses are:

- Overnight lodging is reasonable when a legislator would need to leave home earlier than 6:30 a.m. or arrive home later than 8:30 p.m. in order to attend all of a meeting or conduct all of the legislative business authorized.
- An average travel speed of 50 miles an hour (overall, including incidental stops) will be used to compute whether a legislator's travel would exceed these time periods. The half hour immediately preceding and following a meeting or legislative activity is an "in-town travel shift" and considered part of the total meeting schedule for the purposes of the reasonableness computation.
- A legislator is considered necessarily away from home on the day of a meeting or other authorized legislative activity and on any other day when travel for that activity is required. Subject

to statute, a legislator may claim reimbursement for any meals falling within reasonable travel times.

- Special circumstances are considered in determining reasonableness. Such circumstances may include inclement weather, a legislator's health, variables related to flying instead of driving, and schedule conflicts that require a member to choose a more expensive mode of travel in order to participate in the legislative activity. Special circumstances should be clearly presented on the claim form.

The revised guidelines are contained in "Rules, Procedures, and Guidelines for Interim Committees." This publication is available on the Legislative Council webpage at leg.mt.gov/legcouncil. A comparison of the old and new guidelines is available on the council's webpage under "Meeting Materials" for the June 26 meeting.

For more information, or if you have questions about legislative salaries and claims for reimbursement, please contact Susan Byorth Fox or Karen Berger at (406) 444-3064 or sfox@mt.gov.

New Webpage Features Opportunities for Legislator Training, Meetings, Stipends

The Legislative Services Division has created a new webpage that provides information on training opportunities for legislators. The webpage provides the following:

- a list of training opportunities for legislators;
- ways to obtain National Conference of State Legislatures and Council of State Government funding from leadership;
- information on upcoming stipends or other sponsored meeting opportunities; and
- a way for legislators to notify staff of meetings they plan to attend.

The legislative budget includes the payment of dues, registration fees, travel costs, and salary for a limited number of legislators from each chamber to attend activities of the National Conference of State Legislatures and the Council of State Governments.

To find out about training opportunities, go to leg.mt.gov and click on "For Legislators" in the lefthand navigation menu. Besides showing training information, the new webpage provides a central location for obtaining funding. In addition, many organizations are interested in knowing which legislators plan to attend national or regional meetings so that they can coordinate activities with them, and we are able to provide that service for you.

For more information – or to ask to have information on training opportunities posted – contact Susan Byorth Fox at (406) 444-3066 or sfox@mt.gov.

Students, Legislators, Democracy Benefit When Legislators Go 'Back to School'

Montana legislators are going back to school this fall to share their firsthand knowledge of government and civics with some of their youngest constituents. The school visits are part of a nationwide program called America's Legislators Back to School.

Launched by the nonpartisan National Conference of State Legislatures (NCSL) in 2000, the program encourages lawmakers to bring civics to life by talking face to face with students in second grade through high school. In Montana, the program is sponsored by the Legislative Council.

"The purpose of the program is to give young citizens a better understanding of the value and concepts of representative democracy," according to Gayle Shirley, program coordinator for the Montana Legislature. "These include the importance of negotiation and compromise and the challenges involved in balancing competing interests in a diverse society."

The program is not aimed at teaching the fundamentals of government; nor is it meant to be an opportunity for campaigning or partisanship.

In a study commissioned last year by the NCSL, middle school students who participated in the Back to School Program scored significantly higher than other students in knowledge and appreciation of representative democracy.

“Legislators are uniquely qualified to help our nation’s future leaders and voters understand their roles and responsibilities as citizens,” Shirley said.

About a dozen Montana legislators participated in the program during the 2008-09 school year (see list of participants on next page). They shared their legislative experiences with nearly 1,400 students.

Rep. Bob Ebinger of Livingston found his visits with senior-level government classes at Park High School to be “very stimulating and exciting and somewhat challenging.”

“The students don’t hold their punches at all,” he said. “They weren’t hesitant to get up and ask questions, and they were very astute in what they asked.

“The 50-minute classes went much faster than when I was in school,” he added. “It’s nice to see another

“The purpose of the program is to give young citizens a better understanding of the value and concepts of representative democracy.”

generation rising up that takes an interest in world views.”

Bryan Beitel, government teacher at Park High School, said Ebinger’s visit added “a different dimension to the course of study.”

“Much of the focus in my class is on the federal branches of government,” he said. “His visit helped the students “gain a better understanding of state politics.”

Rep. Bill Beck of Whitefish was motivated to take part in the program as a result of a stint as a local commander for the American Legion.

“We had an Americanism test we used to give every year to graduating seniors in high school,” he said. “I was sort of appalled at how little the kids knew. They seemed to have no concept of what state government was all about.”



Rep. Bob Ebinger



Rep. Bill Beck

Beck visited the principal of every school in his legislative district and offered his services.

“I made sure they knew my presentations would be nonpolitical,” he said. “Every one of them embraced it.”

Beck has been encouraged by the reception he’s received from students and teachers alike.

“When I first went into a class, I wasn’t sure how I was going to be accepted,” he said. “I try to be open and honest, and I try to have some fun with it to get their attention. There are lots of interesting things that go on in the Legislature that teachers aren’t aware of but that I can bring out. I think that helps engage the students.

“I’ve had a number of teachers ask me if I would come back,” he added. “And I’ve had a number of teachers who’ve come up to me and said, ‘I learned a lot.’”

One way Beck has tried to engage students is with a PowerPoint slide show that emphasizes the state budgeting process using photographs, charts, and diagrams. He finds that students “connect better” when they can visualize what he’s talking about.

Beck solicited the technological expertise of a high school senior to produce the PowerPoint. He’s willing to make copies of it available to other legislators to use in the classroom.

Legislators who participate in the Back to School Program also have access to age-appropriate,

nationally developed classroom materials that have been specifically correlated to Montana social studies standards. Materials specific to Montana are also available.

Rep. Beck said the Back to School Program has given him a feeling of accomplishment and personal satisfaction.

“Hopefully, my efforts will make these kids better citizens who will have a better understanding when they pick up the newspaper someday and read about the Legislature,” he added. “Some of these kids may even decide to run for the Legislature someday. That benefits the state of Montana and generations to come.”

For more information about the program, contact Shirley at (406) 444-2957 or gshirley@mt.gov. More information is also available on the legislative website at leg.mt.gov, under “For the Classroom.”

Legislators Who Participated in 2008-09 ‘Back to School’ Program

The following legislators reported participating in the Montana Back to School Program during the 2008-2009 school year:

House Members:

Bill Beck, Whitefish
Paul Beck, Red Lodge
Bob Ebinger, Livingston
Julie French, Scobey
Robin Hamilton, Missoula
Pat Ingraham, Thompson Falls
Bob Lake, Hamilton

Senate Members:

Gary Branae, Billings
Terry Murphy, Cardwell
Dave Wanzenried, Missoula
Jonathan Windy Boy, Box Elder



Sonja Nowakowski



Leanne Heisel



Lisa Jackson

NCSL Recognizes Outstanding Achievements of Legislative Staff

The Legislative Research Librarians’ section of the National Conference of State Legislatures has recognized the outstanding achievement of three Legislative Services Division staff members for their work on naturally occurring Montana phenomena – the climate, wildfire, and legislators. Each spring the research librarians conduct a notable documents competition in which states send in their best documents prepared by legislative staff. The documents are judged on a variety of criteria, including contribution to an area of significance to legislators and legislative staff, innovation in presentation of material, and promotion of understanding of government processes, functions, or relationships.

Sonja Nowakowski, legislative research analyst, received the Notable Document Award in the environmental public policy category for the publication “Carbon Sequestration Study.” The judges commended Nowakowski’s report as innovative in being Montana’s first comprehensive legislative effort at analyzing the significant policy issues associated with geological and terrestrial carbon sequestration. Last interim, the Energy and Telecommunications Interim Committee on its own initiative undertook the evaluation of the potential policy or regulatory framework related to carbon sequestration.

Leanne Heisel, legislative research analyst, also received the Notable Document Award in the environmental public policy category for the publication “The Price of Flame.” Heisel’s report was praised for its engaging writing style and for its comprehensive evaluation

of the social, economic, health and safety, fiscal, and environmental costs associated with wildfire suppression in Montana. The study was conducted by the Fire Suppression Committee, created by the Montana Legislature during the September 2007 special session to examine the myriad aspects of wildfire and wildfire suppression in Montana.

Lisa Mecklenberg Jackson, LSD staff attorney, and Jim Kammerer of the Montana State Library received the notable document award in the category of innovative advocacy for the Montana Legislator READ poster series. The posters, featuring legislators and state and federal officials with their favorite books, were sent to libraries across Montana. The judges wanted to engage legislators in their own states in a similar campaign. "We loved it!" the judges wrote in the award letter.

Notable Documents winners were honored at the NCSL Legislative Summit in Philadelphia last month for their excellence in exploring topics of contemporary interest to legislators and staff. The LSD staff documents along with the documents of winners from other states are available at ncsl.org.

Economic Affairs Committee Gets Glimmer of Workers' Compensation Complexities

The raw statistics indicate Montana's workers' compensation costs are abnormally high compared with the rest of the country. They suggest a complex story of lower overall payrolls for which premiums must be high to meet obligations created by an above-average frequency of injuries, older workers who usually take longer to heal than younger workers, high medical costs, and benefits per person that are low but in total are higher than the national average.

The Economic Affairs Interim Committee will have to deal with the many components that affect these costs in a way that helps both employers and injured employees under a study of workers' compensation requested through Senate Joint Resolution 30.

At its July 8 meeting, the committee learned that:

- Montana's workers' compensation premiums,

according to a 2008 Oregon study, are the second highest in the nation, or 155% above the median;

- Montana's average medical claim of \$41,000 is the highest among neighboring states (excluding Wyoming and North Dakota, which have different structures);
- Montana's maximum weekly benefit for a total temporary disability of \$545 was ranked 41st in the nation in 2007 in a U.S. Department of Labor study (with the national average at \$733); and
- the cost to Montana employers in total benefits paid to an injured employee was more than 200% of the national average in 2006.

Among the explanations for these numbers were:

- frequent claims indicating higher-than-average injury rates;
- longer-than-normal time off work;
- high medical costs; and
- claims that stay on the books for a longer period than elsewhere.

A Labor-Management Advisory Council, appointed by the governor, is looking into some of these issues, and the committee heard about efforts to promote safety and return-to-work programs. They also saw charts (available on the committee's webpage) showing changes in the medical fee schedules allowed by the 2007 Legislature. Using these schedules, the Department of Labor and Industry hopes to deal with incentives that may have existed for unnecessary surgery.



Sen. Jim Keane

The committee elected Sen. Jim Keane as chair and Rep. Gordon Vance as vice chair. Keane appointed Sen. Ryan Zinke and Rep. Chuck Hunter as liaisons to the Montana State Fund and Sen. Ken Hansen and Rep. Don Roberts to the Rail Service Competition Council.

Members decided to narrow the SJR 14 study on state laboratories to labs operated by the Departments of

Agriculture, Livestock, and Fish, Wildlife, and Parks in Bozeman, along with any overlap with a public health laboratory in Helena operated by the Department of Public Health and Human Services.

At the committee's next meeting on Sept. 9, members will finalize the SJR 30 study plan and will hear some specific ideas from the following speakers, among others:

- Ann Clayton, a consultant hired by the Department of Labor and Industry to review other states' best practices on workers' compensation, will discuss ways to meet some of the SJR 30 study goals; and
- Mike McCarter, former workers' compensation judge, will discuss issues related to claim closure and duration of claims.

The Sept. 9 meeting will begin at 9:15 a.m. in Room 137 of the Capitol. For more information, visit the committee webpage at leg.mt.gov/eaic or contact Pat Murdo, committee staff, at (406) 444-3594 or pmurdo@mt.gov.

Education, Local Government Committee Sets Work Plan for the Interim



Rep. Wanda Grinde

Rep. Wanda Grinde will chair the Education and Local Government Interim Committee for 2009-2010, committee members unanimously decided at their June 30 meeting. Sen. Kelly Gebhardt will serve as vice chair. Members also reviewed ELG's statutory duties, assigned studies, education-related shared policy goal

resolutions, and what they hope to accomplish during the interim.

Representatives of the Montana Association of Counties, the Montana League of Cities and Towns, the Office of Public Instruction, and the Office of the Commissioner of Higher Education all reported

on significant legislation enacted last session, what the committee might expect during the interim, and any projects for which the committee may provide assistance or guidance.

The committee established a subcommittee to work with K-12 and K-20 education representatives to implement two resolutions that urge development of shared policy goals and accountability measures. Grinde will appoint members to the subcommittee at ELG's next meeting, scheduled for Oct. 1-2 in Helena.

The following are some of the items included in the committee's work plan, in addition to the committee's statutory duties and the shared policy goals resolutions:

Assigned Studies

- HJR 32: study of the impact of and strategies for historic preservation
- SJR 2: study of community college establishment process

Local Government-related Topics

- tax increment financing;
- American Recovery and Reinvestment Act as it relates to grants to schools and local governments;
- street maintenance agreements between cities and the Department of Transportation;
- indirect cost allocation program;
- implementation of HB 608 (liability for debris removal), particularly in Bozeman, Whitehall, Miles City, and Butte – areas where major fires destroyed portions of the cities;
- local regulation of development in the wildland-urban interface; and
- local government's role when wildland fire threatens the local government's jurisdiction.

Education-related Topics

- "Making Opportunity Affordable" initiative (Commissioner of Higher Education);
- integration of information technology infrastructure for 2-year education;
- transferability of high school credits from one district to another;

- virtual academy;
- school facilities study as prerequisite to receiving economic stimulus money; and
- workforce training.

Check ELG's webpage at leg.mt.gov/elgic for more information, agendas, meeting materials, and minutes. Leanne Heisel is the committee's lead staff, and she may be reached at (406) 444-3593 or lheisel@mt.gov.

Energy, Telecommunications to Redesign Energy Policy, Track Climate Change Laws

The Energy and Telecommunications Interim Committee will spend most of its time designing a blueprint for Montana's energy future as required by Senate Bill 290 and tracking federal climate-change legislation.



Rep. Robyn Driscoll

At its July 10 meeting, the committee adopted a work plan for the next 14 months and elected Rep. Robyn Driscoll as chair and Sen. Jerry Black as vice chair.

SB 290, enacted in 2009, requires the ETIC to revise Montana's current energy policy based on an evaluation

of nine topic areas. These range from increasing energy efficiency to rebuilding and extending transmission lines. Interested individuals, stakeholders, and state agencies will be invited to participate in the study and comment on the nine areas. The committee will develop a potential energy policy based on findings and recommendations in those areas.

At the committee's next meeting, members will focus on three topics:

- rebuilding and extending electric transmission lines;
- maximizing state land use for energy generation; and
- integrating wind energy.

The committee will also track federal legislation on greenhouse-gas reduction. The committee will consider

an overview of Montana-specific issues and impacts related to potential federal greenhouse-gas reduction programs, including a carbon tax or cap-and-trade program, or both. A panel discussion that includes industry representatives, greenhouse-gas reduction program specialists, and state agency personnel tracking federal legislation is planned for early next year.

Other areas the committee will consider this interim include:

- reviewing transmission line development from briefings provided by the Department of Commerce Energy Promotion and Development Division and transmission line developers.
- monitoring the implementation of the provisions of Senate Bill 498 to regulate carbon sequestration. The Board of Oil and Gas Conservation will report on proposed administrative rules to implement SB 498. The committee will also track federal carbon sequestration legislation and rules.
- reviewing the energy supply recommendations contained in the Montana Climate Change Action Plan prepared by the Governor's Climate Change Advisory Committee, including a panel discussion of the recommendations.

The ETIC is scheduled to meet Sept. 24. Agendas, meeting materials, and other information about the committee are available at leg.mt.gov/etic. For more information, contact Sonja Nowakowski at snowakowski@mt.gov or (406) 444-3078.

Legislative Audit Committee Reviews Numerous Audits at June 23 Meeting

The Legislative Audit Committee met June 23 to review the audits of various state agencies conducted by the Legislative Audit Division and by contract auditors. The audit reports issued at the meeting, as well as followup reports, can be accessed from the committee's agenda at leg.mt.gov/audit. Click on "Audit Committee" and then "Agenda." Other audit reports are available at leg.mt.gov/auditreports.

The following reports were issued:

Contract Audits:

- Flathead Valley Community College (08C-06). This contract financial audit report contains the results of the audit of Flathead Valley Community College for the fiscal year ending June 30, 2008. The audit was conducted by Denning, Downey and Associates. The report contains an unqualified opinion on the financial statements contained in the report. This means the reader may rely on the financial information presented.
- Montana Medical Legal Panel (08C-01). This financial audit report contains the results of the audit of the Montana Medical-Legal Panel for the year ending Dec. 31, 2007. The audit was conducted by JCCS, PC. The report contains an unqualified opinion on the financial statements contained in the report. This means the reader may rely on the financial information presented.

Information Systems Audits:

- Integrated Revenue Information System (IRIS): Processing of Individual Income and Corporate Tax Records (08DP-06). The Integrated Revenue Information System (IRIS) is a computer system implemented by the Department of Revenue to maintain taxpayer records and process tax revenue. IRIS is a commercial off-the-shelf system developed by a third-party vendor. IRIS has been customized to accommodate the specific needs of the state.

To date, the system processes 38 of 39 tax types. The final component, allowing for online e-filing through IRIS, is scheduled to be completed by June 2009. The property tax is administered on a separate computer system.

Legislative Audit Division staff reviewed the IRIS control environment to ensure complete and accurate creation and maintenance of taxpayer records, input of tax returns and payments, and processing of transactions. LAD issued two recommendations to improve user access controls and one recommendation to implement a disaster recovery plan.

- Payment Card Industry Data Security Standard and Related Controls (09DP-02). The state provides a variety of services to the people of Montana. Citizens and businesses can pay for these services by cash, check, direct billing, payment cards, and other means. Payment cards include debit and credit cards. Because payment cardholder data security has become a priority for the major payment card companies (e.g., MasterCard, Visa, American Express), these companies have formed their own association to establish and regulate security through the Payment Card Industry Data Security Standard (PCI DSS). The purpose of this audit was to determine if policies and business processes at selected state entities conform to specific requirements of the PCI DSS. Overall, LAD staff found management and staff are concerned for the security of cardholder data. However, conformity with the specific requirements of the PCI DSS can be strengthened. This report discusses findings and includes two recommendations on strengthening policy and cardholder data security.
- Computer Disposal Policy Compliance (09DP-05). The Montana Constitution establishes the right of individual privacy and prohibits violating this right without a “compelling state interest.” To help comply with this requirement, the Department of Administration established a statewide policy on the disposal of computers. The policy requires removal of information from computers no longer used for state business. LAD staff examined hard drives of several state agencies to determine if the computers had data and software removed prior to disposal as required by this policy. The report concluded that the agencies included in the audit are in compliance with state disposal of computers policy.
- Statewide Accounting, Budgeting, and Human Resources System (SABHRS) (09DP-03). SABHRS is an enterprise computer application that assists state agencies and the Montana University System to record the disposition, use, and receipt of public money and property in accordance with state law (17-1-102, MCA). SABHRS also assists in the administration of human resource information,

including the generation of a fortnightly payroll. The responsibilities for all SABHRS maintenance and support are divided among three Department of Administration entities: SABHRS Finance and Budget Bureau, which is responsible for managing the financial system; Human Resources Information Services Bureau, which is responsible for the human resources system; and Information Technology Services Division, which is responsible for providing technical support.

Information systems auditors evaluated key system and business controls for the SABHRS application, as well as modifications to SABHRS, system access, and data reviews. The audit report recommended identifying and implementing minimum system requirements for controlling duplicate payments and developing a formal communication process.

Financial Audits:

- Montana Water Pollution Control and Drinking Water State Revolving Fund Programs (09-25). This is the report on the fiscal year 2007-2008 financial audit of the Montana Water Pollution Control State Revolving Fund and Drinking Water State Revolving Fund Programs. The Department of Natural Resources and Conservation requested the audit of these programs because annual audits are required by the federal Environmental Protection Agency. These programs are administered jointly by the DNRC and the Department of Environmental Quality.

The objectives of a financial audit include determining if the programs' financial statements fairly present the programs' financial position at June 30, 2008, and the results of operations for the fiscal year then ended. We tested compliance with state and federal laws that have a direct and material impact on the financial statements.

An unqualified opinion was issued, which means the reader can rely on the information presented. Government Auditing Standards require auditors to communicate, in writing, control deficiencies over

financial reporting that are identified based on an audit of financial statements and considered to be significant or material. A control deficiency exists when the design or operation of a control does not allow management or employees to prevent or detect misstatements on a timely basis. We identified one material weakness during this audit.

Performance Audits:

- Upland Game Bird Enhancement Program (08P-01). The Department of Fish, Wildlife, and Parks is responsible for administering the Upland Game Bird Enhancement Program (UGBEP). The program aids landowners in the creation or enhancement of suitable upland game bird habitat and also provides landowners funds to release upland game birds. Audit work found program statutes limit the amount of funds that can be used for program administration. Consequently, strategic planning has not occurred, which has resulted in a decreasing number of new enhancement projects being created. That has led to a downward trend in the number of active projects. In addition, limited management controls have resulted in a program database containing a significant number of errors.

Audit recommendations included eliminating the statutory limit on administrative expenses, creating an advisory council and a program management plan, and establishing controls to ensure database information is accurate.

- Montana State Fund Corporate Governance Practices (08P-08). The Montana State Fund (MSF) operates as an independent nonprofit public corporation providing workers' compensation insurance coverage for the state's employers. Our performance audit of corporate governance practices at MSF provides the legislature with information about general corporate governance standards at MSF. Specific areas of focus include the role and responsibilities of the MSF Board of Directors, MSF risk management and business planning process, and executive and MSF employee compensation policies and incentive programs.

The report includes recommendations addressing improvements in corporate governance policies or practices to strengthen accountability and promote transparency in MSF operations.

The Legislative Audit Committee will likely meet in early fall. More information about the committee is available at leg.mt.gov/audit. You may also contact Legislative Auditor Tori Hunthausen, of the Legislative Audit Division, at (406) 444-3122, or thunthausen@mt.gov.

Council Appoints Legislators to NCSL, CSG; Revises Policy on Interim Committee Minutes



Rep. Dennis Himmelberger

At its June 26 meeting, the Legislative Council elected Rep. Dennis Himmelberger as chair and Sen. Carol Williams as vice chair. The council appointed legislators to various standing committees of the National Conference of State Legislatures and the Council of State Governments. The list of these appointments as well

as appointments to interim committees and other committees are on the council's webpage at leg.mt.gov/legcouncil. The council approved the legislative branch operating budgets for the 2010-2011 biennium and revised the "reasonableness" guideline for legislator claims for interim committee meetings (see related article on p. 1).

The council adopted a staff proposal regarding interim committee meeting minutes. Interim committee minutes will be prepared in a manner similar to session minutes with the audio recording being the official record. A written log of the audio recording will identify agenda items, speakers, motions, and votes. A time stamp on the log will assist in finding particular discussion items on the recording. Each interim committee will be audio-streamed on the Internet, and the recording will be posted to the committee's webpage and archived. Interim committee meetings will also be aired live on TVMT and rebroadcast at later times.

The council will meet again on Aug. 20 and 21. On Aug. 20, the council will hold a brief administrative meeting at 10 a.m., followed by a strategic planning session that afternoon and the next morning. It has been a long-standing practice of the council to hold a strategic planning session to provide leadership, direction, and foresight for the efficient operation and improvement of the legislative branch and the Legislative Services Division. The planning session will be at the Barrister Bed and Breakfast in Helena.

For more information, visit the council's webpage, or contact Susan Byorth Fox at (406) 444-3066 or sfox@mt.gov.

Revenue and Transportation Committee Takes on Three Studies

The Revenue and Transportation Interim Committee met July 1 to review the committee work plan and study plans and to elect presiding officers. Because of an extensive workload, the committee decided to stagger its involvement in interim studies over the next 14 months.

Three studies were assigned to the committee, including a study of the property taxation of oil and natural gas property (HB 657), a study of uninsured and underinsured motorists (SJR 16), and a study of income tax filing by married taxpayers (SJR 37). In addition, the property reappraisal mitigation legislation from last session (HB 658) requested that the committee review property tax assistance measures for residential property.



Sen. Kim Gillan

The committee unanimously elected Sen. Kim Gillan as chair and Rep. Roy Hollandsworth as vice chair.

Gillan appointed Sen. Christine Kaufmann, and Reps. Dick Barrett, Carlie Boland, and Brian Hoven to a subcommittee to look at some ideas on providing assistance to property taxpayers, including circuit breaker programs and

assistance to low-income, veteran, and elderly property owners. The subcommittee will meet later this summer with stakeholders and interested parties to develop a work plan for presentation to the full committee at its September meeting.

A few other topics the committee will likely consider include:

- clarifying reimbursements to local governments under 15-1-121, MCA;
- the effects of the state's changing demographics on the state's economy, tax revenue, and government services;
- discussion of an oil and natural gas trust fund; and
- briefings by the Montana Department of Transportation (MDT) on AMTRAK, federal stimulus highway projects, and the highway asset management system.

Agency Reports

Jim Lynch, director of MDT, briefed the committee on two proposed projects that would involve the transportation of oil extraction equipment through Montana to oil sand fields in northcentral Alberta.

The Exxon corridor project would transport equipment from Lewiston, Idaho, over Lolo Pass through Missoula, Lincoln, Augusta, Cut Bank, and the Port of Sweet Grass. The Premay corridor project would move equipment from Billings through Roundup, Denton, Fort Benton, and the Port of Sweet Grass.

The vehicles are more than oversized, they're supersized – the loaded trucks may be up to 120 feet long, 30 feet high, and 24 feet wide. The projects would require construction of turnouts and modifications to utility structures, traffic lights, and other overhead obstructions. The projects would involve traffic delays and inconveniences to local communities. On the other hand, much of the labor is expected to be provided by Montana residents. The committee will work with MDT to ensure the projects are feasible.

Dan Bucks, director of the Department of Revenue, reported on timelines associated with property

reappraisal and reporting certified taxable values to local taxing jurisdictions. Owners of agricultural land, residential and commercial land and improvements, and forest lands will receive notification of new values between mid-July and mid-August. Objections to the values must be filed with the department within 30 days after receiving the notice. Certified taxable values will be sent to local taxing jurisdictions by the end of August.

The committee is scheduled to meet Sept. 17 and 18 in Helena. Meeting notices, including subcommittee and work group sessions, will be posted on the committee's webpage at leg.mt.gov/rtic. For more information about the committee, contact Jeff Martin at (406) 444-3595 or jmartin@mt.gov.

Retirement Plans Top Priority of State Administration, Veterans' Affairs Committee



Sen. Joe Tropila

The State Administration and Veterans' Affairs Interim Committee met in late June to adopt a work plan and to elect presiding officers. Sen. Joe Tropila was elected as chair and Rep. Gordon Hendrick was elected as vice chair.

House Bill 659 directed the committee to review state retirement plans and evaluate options for each of the plans administered by the Public Employees Retirement Board and to evaluate options for the redesign of the Teachers' Retirement System. The committee expressed its preference to use the current actuaries for the Public Employees Retirement System and TRS to analyze and report on system redesigns and revisions suggested by the committee. Because the committee anticipates the retirement study will occupy most of its time, it has asked state agencies under its jurisdiction to provide written updates of agency activities and concerns before each meeting. The committee will schedule an agency presentation if requested by a committee member.

The committee will conduct administrative rule review and consider state agency legislative proposals.

Committee staff will report on research pertaining to the HJR 35 study of state employee bonuses.

The committee will meet again Sept. 23 and Oct. 30 in Helena. Details of the meetings will be posted on the committee's webpage as they become available. Contact Rachel Weiss at (406) 444-5367 or rweiss@mt.gov if you have questions. For more information about the committee, or to sign up for electronic updates on its activities, go to www.leg.mt.gov/sava.

Law Enforcement, Historic Preservation, Health Care to Occupy State-Tribal Relations



Rep. Scott Reichner

The State-Tribal Relations Interim Committee held its first meeting of the interim on June 29. The committee elected Rep. Scott Reichner as chair and Sen. Sharon Stewart-Peregoy as vice chair.

Following a staff overview of committee responsibilities, the following individuals

discussed the work of their respective offices and identified policy areas that they thought the committee should consider during the interim: Jennifer Perez Cole, coordinator of Indian Affairs in the Office of the Governor; Bill Mercer, U.S. Attorney for the District of Montana; and Andrew Poole, deputy director in the Department of Commerce with the State Tribal Economic Development Commission.

Although the committee has not been assigned a formal study, it decided to take up a variety of topics this interim, including:

Law Enforcement: The committee will examine the status of extradition agreements between tribal jurisdictions and other jurisdictions and, if problems exist, recommend possible solutions. As time permits, the committee will also look at prescription drug abuse and recidivism rates on Indian reservations.

Cultural and Historic Preservation: The committee

will work with stakeholders on cultural and historic preservation, including a review of SB 488 that requires state agencies to cooperate with and recognize the authority of Montana tribal governments in the protection, preservation, and management of tribal cultural resources.

Education: The committee will look at factors that contribute to dropout rates and determine whether the committee can develop recommendations to help the Office of Public Instruction and vocational-technical schools deal with this problem.

Health Care: The committee will study the disparity in health care for tribal members and low-to-moderate income Montanans and for other Montanans. The committee will compare general health care and care for certain diseases among the various populations. The committee will also inventory health care providers, including Indian health care providers on the seven reservations and state and federal providers.

The committee plans to visit the Fort Belknap and Rocky Boy's Reservations in early October and the Blackfeet Reservation next July.

For more information about the State-Tribal Relations Committee, contact Casey Barrs at (406) 444-3957 or cbarrs@mt.gov. Or visit the committee's webpage at leg.mt.gov/tribal.

Water Policy Committee to Examine Wide Variety of Water-Related Topics



Rep. Walter McNutt

Members of the new Water Policy Interim Committee elected Rep. Walter McNutt as chair and Sen. Dave Wanzonried as vice chair at their July meeting. Both McNutt and Wanzonried are past chairs of the Environmental Quality Council, which has historically dealt with water issues.

The committee heard presentations from state agencies that deal with water, including the Departments of Environmental Quality, Natural Resources and Conservation, and Fish, Wildlife, and Parks. The Water Court also provided testimony.

The 2009 Legislature did not assign any interim studies to the WPIC, but the committee agreed to examine a host of water policy matters, including beneficial-use permitting for ground and surface water, the change of appropriation process, water marketing, and enforcement of water rights.

John Metesh of the Montana Bureau of Mines and Geology explained the implementation of the Ground Water Investigation Program created by House Bill 52. More information on the program is available at www.mbmgs.mtech.edu/gwip/gwip.asp

The committee will adopt a detailed work plan at its next meeting, Sept. 21 in Helena.

For more information about the committee, contact Joe Kolman at 406-444-9280 or visit the committee's website at leg.mt.gov/water.

The Back Page

Counting Tails: Wolf Delisting by the Numbers

By Hope Stockwell, Legislative Research Analyst
Legislative Services Division

Getting a wolf that roams over several hundred square miles to put its foot in one small spot – in this case the center of a rubber-jawed steel trap – is tough. This morning, when Department of Fish, Wildlife, and Parks Wolf Management Specialist Liz Bradley checks her traps she finds she missed, literally, by an inch. Instead of a wolf, Bradley gets a wolf track.

“Well, bummer,” Bradley says, acknowledging that she’ll just have to be patient. “If I keep that lure there, he may check it out again tonight.”

Bradley spends weeks in the field each year trying to capture and put radio collars on wolves. The collars have been the key, thus far, to tracking and counting wolves, learning about their behavior, and determining that they’re ready to be removed from the endangered species list.

At the end of 2008, there were 62 collared wolves in Montana. Using data gathered from those animals, the Department of Fish, Wildlife, and Parks reports that Montana’s wolf population has grown from 66 wolves in 1995 to 497 wolves in 2008. The current population includes 84 packs and 34 breeding pairs, more than three times the federal recovery goal for the state.

That, along with Idaho’s wolf numbers, which top 800, led the U.S. Fish and Wildlife Service (USFWS) to decide that the gray wolf in Montana and Idaho is ready for delisting. The decision took effect May 4. In June, lawsuits challenging the decision were filed in federal court. At publication, no ruling had been issued.

In the Field

Collaring and monitoring wolves is time intensive, so Bradley and her counterparts focus on placing collars in packs that live near livestock, as required by state law. This is the second time in 2009 that Bradley has trapped



Liz Bradley, wolf management specialist with the Department of Fish, Wildlife, and Parks, sets a trap along a forest road near Sula.

near Sula in southwestern Montana, where wolves have harassed and killed cattle on multiple ranch operations over the years. Bradley’s trying to collar a member of the Trail Creek Pack. The pack has been out of contact since a previously collared female moved off with a male to the Big Hole Valley.

When setting traps, Bradley usually stays on private land to avoid conflicts with people and dogs. But in this case, she’s set traps along the side of a public road in the national forest, because that’s where the wolves are obviously traveling. The dirt and mud are riddled with tracks – it looks like a wolf superhighway. The location is close, but not too close, to the pack’s suspected den site. Bradley is trying to trap an adult on a food run.

Bradley takes care to leave no sign of her traps, lest an alert wolf sense that something's wrong. Once she's dug a 10- to 12-inch hole, Bradley sets and covers the trap with dirt, topping it with small pine needles, grass, and other vegetation to camouflage the site. Bradley even uses a paintbrush to smooth the area and wipe away any of her prints.

Without watching Bradley, you wouldn't have a clue the trap was there. For that reason, Bradley posts hot pink caution signs along the road. As she drives away from her sets, a bicyclist pedals toward them. Bradley stops to warn him and says as long as he stays in the tire tracks, he'll be fine.

Bradley's office is in Missoula, but when she's out trapping, she lives and works out of her four-door pickup so that she can check her traps twice a day. The pickup and its box are stuffed with all sorts of gear: traps, bait, a four-wheeler, tent, sleeping bag, food, paperwork, and Bradley's faithful companion, Adah, a mixed-breed pound dog who can sniff out wolf scent. Bradley hasn't trained Adah to do so; she has just picked up on ways that Adah acts differently around wolf scent.

Adah also points out landmarks – trees, bushes, and the like – that dogs (and wolves) find interesting. Wolves are naturally curious about the scent of dogs, so if Adah urinates at one of those spots, Bradley has learned it can be a great place to set a trap. Bradley uses commercially made attractants to draw wolves into her sets, along with her own concoctions. One is a pungent, runny, brown substance labeled “rotten liver.”

Bradley's work is painstaking and unglamorous, but it can reap huge rewards in information. Using aircraft to track signals from the collars, FWP can follow and count wolves and packs, map their territory, and learn how they use the landscape and whether they may be involved in livestock predation.

Counting in the Future

For all of the data that collars have contributed toward delisting, they're working themselves out of a job. Not that collars aren't still useful. FWP needs good numbers

to show the USFWS that it's maintaining a recovered wolf population. But because delisting allows wolves to be hunted, some of the animals wearing collars undoubtedly will be killed.

Seeing this coming, FWP has been working on a new game plan for counting and monitoring wolves. It includes more reliance on landowner and backpacker reports, howling and snow tracking surveys, and hunters. When hunters are called this winter for the post-season harvest survey, they'll be asked about any wolf activity they saw and what their wolf hunting experience was like.

FWP is working with the University of Montana to develop a population modeling program that will incorporate this information with data from the collared wolves to determine the latest wolf numbers and activity. Whether the modeling system will be accurate enough is uncertain.

“I would call it a work in progress,” says FWP Wolf Program Coordinator Carolyn Sime. “We won't have concrete answers until we start working at it.”



Bradley's dog, Adah, can sniff out wolf scent, helping Bradley pick trap sites.

The Financial Picture

With delisting, another reality looms – funding. So far, federal funds have paid for Montana's entire wolf program, which Sime says has an average annual budget of about \$600,000. The federal funding is set through June 30, 2010. FWP will have to negotiate

with USFWS for additional funding after that. Sime expects federal funding to continue at some level, but how much is uncertain. Montana's lawmakers, who hold the department's purse strings, may have some tough choices to make when they meet in 2011.

"If you want us to count every tail out there, that has a very high price tag," says Sime. "In money, in personnel, it may not be in Montana's best interest in the long term. In the short term, that may be what's required."

Wolf recovery, monitoring, and management in the Northern Rockies has been expensive. Since 1974, the federal government has spent \$31.9 million. Last year alone cost \$3.69 million.

"I refer to that as the Frankenstein monster," says Ed Bangs, USFWS Northern Rockies wolf recovery coordinator. "I personally believe we spend way too much money on wolves and we monitor them way more than we need to do."

But, Bangs says, the public has demanded that. All sides want to know where wolves are: the general public, ranchers, researchers, and environmental groups.

"It's been very difficult to back off of that," Bangs says.

Bangs hopes that someday wolves can be treated more like mountain lions, which are monitored much less intensely with a population count that's more of a ballpark figure.

Sime says she, too, hopes that wolves can be treated like other wildlife someday. Having wolves removed from the endangered species list and now classified as a species in need of management, which allows for a public hunt, is a start.

But Sime says a variety of people continue to expect a lot from FWP.

And that's OK, she says, "people should expect us to have good data about a species that affects them."

Wolf Hunt Quota by Wolf Management Unit, 2009*			
Total Quota	WMU 1 (Northern MT)	WMU 2 (Western MT)	WMU 3 (Southwestern MT)
75 wolves	41 (with a subquota of 2 in the North Fork Flathead Subunit, see map in Figure 2)	22	12
<ul style="list-style-type: none"> • Licenses go on sale in August: \$19 for residents and \$350 for nonresidents. • Season opens Sept. 15 in backcountry areas, Oct. 25 statewide. • Season closes Dec. 31 in all areas. • Only 25% of the total quota may be taken in December. • Bag limit is one wolf per hunter. • There is no trapping season in 2009. • Successful harvest must be reported to FWP within 12 hours. • Mandatory carcass inspection (skull and pelt) within 10 days. • Season may be closed upon 24-hour notice when a quota is filled. • A 1-800 # will be available for hunters to check on season closures. 			
*These quotas apply only to the 2009 season and will be reconsidered in 2010.			

Counting, Hunting, and the Courts

From a legal perspective, Sime says it's good to have data that's scientifically defensible. Knowing just how many wolves Montana and Idaho have – and their plans for maintaining that recovered population while incorporating a public hunt – will be the key to whether the decision to delist the gray wolf in Montana and Idaho stands.

Barring a court injunction, Montana's wolf hunting season opens in backcountry areas on Sept. 15 and statewide on Oct. 25. It ends Dec. 31. (See table and map below for more details.)

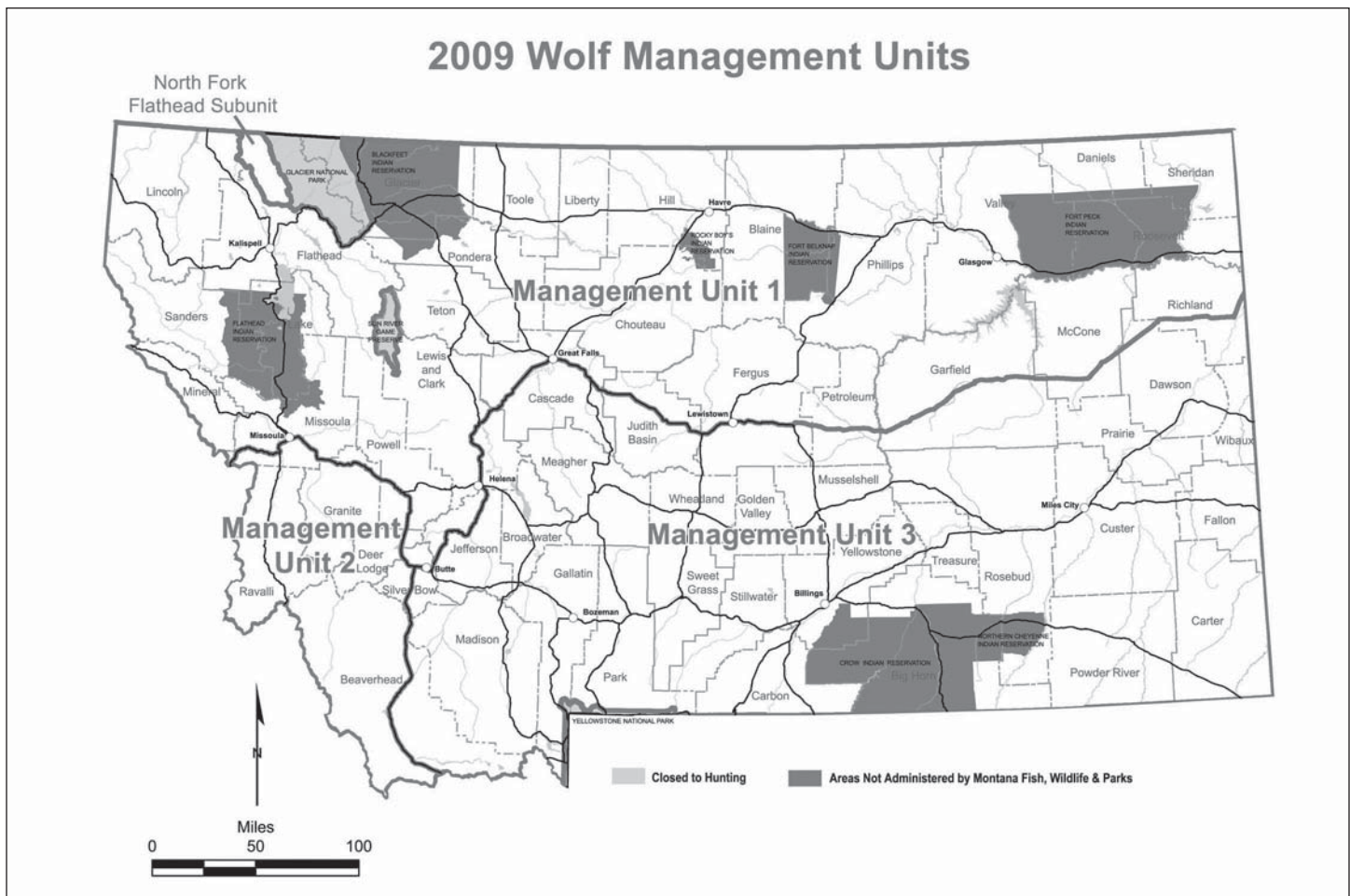
Before settling on a season quota of 75 wolves, the FWP Commission debated options ranging from no hunt to a quota of 207 wolves. Commissioners weighed comments from those who think the wolf population isn't big enough, those who think it's too big, and those concerned that a higher hunting quota might trigger a court injunction, halting the hunt or delisting altogether.

Seventy-five wolves is 15% of Montana's wolf population. Even if hunters fill all 75 tags, the data gathered through collaring shows that Montana's wolf population is expected to increase to 655 wolves by the end of 2009. Ed Bangs says the commission was smart to begin with a low quota and then monitor the outcome.

"I'm a huge believer in giving yourself an opportunity to learn," Bangs says. "Nobody knows how vulnerable wolves will be to hunting."

Bangs says the worst thing that could happen is to push the quota to the max and be wrong, losing all of the collared wolves or causing an emergency shutdown of the hunting season. No one will trust the state then, he says.

Trust has been tenuous since wolves were reintroduced to the Northern Rockies in the mid-1990s. Bangs says frustration about livestock predation and the limited ways in which ranchers can respond under the



Endangered Species Act is high, especially after the first decision by the USFWS to delist wolves in 2008 was withdrawn in response to a lawsuit.

Bangs is confident delisting in Montana and Idaho will stick this time. He says that's because the USFWS has resolved previous concerns about the genetic dispersal of wolves. Collars show how far the wolves are ranging and where they're moving to new areas.

The first time wolves were declassified as an endangered species, the plaintiffs in the lawsuit sought a court injunction to stop delisting right away. This time, it looks like the plaintiffs are waiting to see what Montana and Idaho do with their public hunts.

"I think they're waiting, hoping the states will set some astronomically high limit and demonstrate they're just out to kill wolves," Bangs says. "I think they'll hold off until Idaho sets its season and see if Idaho sets its quota at 500 or something ridiculous."

Bangs doesn't expect Montana's quota to trigger a court injunction. "It's pretty hard to argue that a quota of 75 wolves is somehow going to harm the population," he says.

The Wyoming Factor

Wyoming has been excluded from delisting this time around, which Bangs also thinks will help delisting stick. In 2008, when Wyoming was included, Bangs says the judge appeared to be concerned about whether Wyoming could maintain a recovered wolf population while classifying the animals as predators that could be shot on sight in much of the state. Wyoming has yet to develop another wolf management plan that the USFWS feels is sufficient.

Wyoming isn't happy that it's not included in delisting and is challenging that decision in court. FWP Attorney Martha Williams, who represented Montana in last year's litigation, told the Environmental Quality Council in May that having Wyoming removed from delisting complicates the litigation this time around. Williams says groups opposed to delisting believe the Endangered Species Act doesn't allow Wyoming to be excluded. A number of those groups, Williams says, are entering a lawsuit to deal with that issue.

On the Ground

In the field, miles from the courtroom, Liz Bradley continues the work that will determine the future of wolves in Montana. After two days of trapping near Sula, Bradley captures the breeding female of the Trail Creek Pack and fits her with a GPS collar. A step up from a regular radio collar, the GPS version will provide more detailed information about the wolf's location, helping a graduate student at the University of Montana calculate the average territory of the wolf pack as part of the new population modeling system. Collaring the breeding female is best, Bradley says, because the breeding female won't leave the pack, giving a more accurate picture of its actual range.

While FWP may have to rely less on collars to monitor wolves in the future, their usefulness in finding and counting wolves remains. Already elusive, a hunted wolf population is expected to become even more reclusive. Bradley says wolves are probably going to wise up pretty quickly.

But how quickly, she doesn't know.

"It'll be interesting to hear from hunters how easy it is, or not, to hunt a wolf," she says.

All interim committee meetings are held in the Capitol in Helena unless otherwise noted.

August 2009

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
2	3 Law & Justice Committee, 10 a.m., Room 102	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20 Legislative Council, 10 a.m., Room 102 LC Strategic Planning Session, 1 p.m., Barrister Bed & Breakfast	21 LC Strategic Planning Session, 8 a.m., Barrister Bed & Breakfast, Helena	22
23 / 30	24 / 31	25	26	27	28	29

September 2009

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1	2	3	4	5
6	7	8	9 Economic Affairs Committee, 9:15 a.m., Room 137	10 Environmental Quality Council, time & place TBA	11 Environmental Quality Council, time & place TBA	12
13	14	15	16	17 Revenue & Transportation Committee, time TBA, Room 137	18 Revenue & Transportation Committee, time TBA, Room 137	19
20	21 Children & Families Committee, time TBA, Room 137 Water Policy Committee, time & place TBA	22	23 State Admin & Veterans' Affairs Committee, time & place TBA	24 Energy & Telecomm Committee, time & place TBA Legislative Finance Committee, 1 p.m., Room 102	25 Legislative Finance Committee, 8 a.m., Room 102	26
27	28	29	30			

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